

At the National Level, Yields and Prices Were Higher in 1996

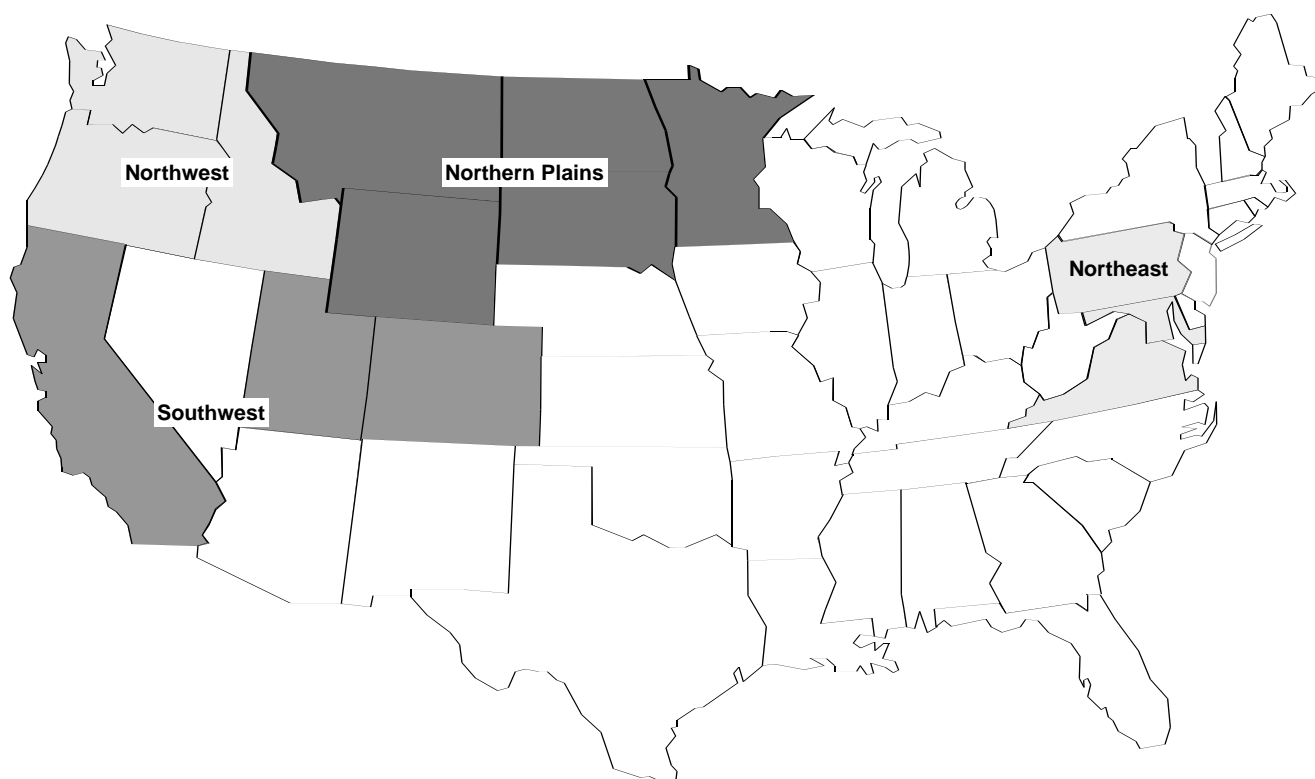
In 1996, U.S. farmers planted barley on 7.14 million acres and produced about 396 million bushels, 10 percent above the 1995 crop. The area harvested for grain was 6.79 million acres, 8 percent more than in 1995 and the largest since 1992 when 7.29 million acres were harvested. At the national level, yields and prices were higher in 1996.

Rising input prices increased the U.S. cash costs for producing barley by 7 percent to \$117 per acre, while economic costs rose 8 percent to \$203 per acre. The value of the 1996 barley crop at harvest time increased 19 percent from 1995 due to higher yields and prices. With an average 1996 yield of 54.5 bushels per planted acre, barley growers would have covered all cash costs at \$2.14 per bushel and total economic costs at \$3.72. With an average 1996 harvest-period price of \$2.97,

growers with costs near the national average would have needed yields of 68.2 bushels or more to cover total economic costs.

Regionally, cash costs rose 2-9 percent from 1995, ranging from \$99 to \$171 per acre. While regional economic costs rose 1-11 percent, they ranged from \$175 in the Northern Plains to \$287 in the Northwest. The Northwest region had the highest costs because of irrigation-related expenses. Although the Northern Plains (a major barley-producing region) had the lowest per acre costs, the price received at harvest (\$2.82 per bushel) was not enough to cover total economic costs; a price of \$3.55 would have covered all the costs. Break-even yields in this region were estimated to be 62 bushels per planted acre, 13 bushels more than actual yields.

Figure 8-7
Barley production regions



Notes: Shading and patterns indicate production regions where producers were surveyed in 1992 about production practices and costs of production. Production regions are defined for each crop based on common cultural practices.

Table 8-7A—Barley production cash costs and returns, excluding direct government payments, 1995-96

Item	United States		Northeast		Northern Plains		Northwest		Southwest	
	1995	1996	1995	1996	1995	1996	1995	1996	1995	1996
<i>Dollars per planted acre</i>										
Gross value of production (excluding direct government payments):										
Barley	134.65	161.72	136.41	205.75	109.22	139.00	217.00	222.41	168.00	198.69
Barley straw	4.26	4.21	39.90	53.21	1.87	1.89	4.72	3.80	7.43	5.51
Total, gross value of production	138.91	165.93	176.31	258.96	111.09	140.89	221.72	226.21	175.43	204.20
Cash expenses:										
Seed	7.44	9.50	11.91	11.77	5.72	7.63	11.61	14.65	11.04	12.49
Fertilizer, lime, and gypsum	20.50	21.06	39.66	40.91	16.77	17.11	32.62	33.24	15.59	16.81
Chemicals	9.12	9.50	3.55	3.46	7.69	7.86	16.33	17.05	7.40	7.26
Custom operations	4.88	4.70	4.83	4.81	3.46	3.41	7.87	7.04	10.93	10.77
Fuel, lube, and electricity	12.08	13.15	7.37	8.59	7.42	8.85	28.37	26.64	17.97	19.86
Repairs	13.80	15.79	12.34	14.06	13.04	15.21	17.10	18.37	13.59	15.19
Hired labor	4.99	5.24	4.47	4.64	3.80	3.98	8.48	8.54	7.80	8.66
Other variable cash expenses ¹	1.86	1.96	1.86	2.00	0.86	0.98	4.61	4.43	4.44	4.73
Total, variable cash expenses	74.67	80.90	85.99	90.24	58.76	65.03	126.99	129.96	88.76	95.77
General farm overhead	7.98	7.95	7.04	7.32	7.27	7.28	9.58	9.06	11.28	11.69
Taxes and insurance	13.20	14.27	12.97	14.09	11.87	12.86	15.04	15.89	21.33	23.64
Interest	12.79	13.38	4.41	4.70	13.01	13.7	16.06	15.84	6.88	7.44
Total, fixed cash expenses	33.97	35.60	24.42	26.11	32.15	33.84	40.68	40.79	39.49	42.77
Total, cash expenses	108.64	116.50	110.41	116.35	90.91	98.87	167.67	170.75	128.25	138.54
Gross value of production less cash expenses	30.27	49.43	65.90	142.61	20.18	42.02	54.05	55.46	47.18	65.66
Harvest-period price (dollars/bu)	2.53	2.97	1.71	3.06	2.47	2.82	2.75	3.18	2.77	3.55
Yield (bu/planted acre)	53.22	54.45	79.77	67.24	44.22	49.29	78.91	69.94	60.65	55.97

Table 8-7B—Barley production economic costs and returns, excluding direct government payments, 1995-96

Item	United States		Northeast		Northern Plains		Northwest		Southwest	
	1995	1996	1995	1996	1995	1996	1995	1996	1995	1996
<i>Dollars per planted acre</i>										
Gross value of production (excluding direct government payments):										
Barley	134.65	161.72	136.41	205.75	109.22	139.00	217.00	222.41	168.00	198.69
Barley straw	4.26	4.21	39.90	53.21	1.87	1.89	4.72	3.80	7.43	5.51
Total, gross value of production	138.91	165.93	176.31	258.96	111.09	140.89	221.72	226.21	175.43	204.20
Economic (full ownership) costs:										
Variable cash expenses	74.67	80.90	85.99	90.24	58.76	65.03	126.99	129.96	88.76	95.77
General farm overhead	7.98	7.95	7.04	7.32	7.27	7.28	9.58	9.06	11.28	11.69
Taxes and insurance	13.20	14.27	12.97	14.09	11.87	12.86	15.04	15.89	21.33	23.64
Capital replacement	28.30	32.17	23.04	26.28	26.15	30.38	36.37	38.47	31.17	34.85
Operating capital	2.09	2.06	2.40	2.29	1.65	1.66	3.55	3.31	2.48	2.44
Other nonland capital	14.89	16.09	12.28	13.33	14.89	16.43	15.60	15.61	14.44	15.42
Land	39.37	42.13	20.55	19.58	32.45	35.96	65.64	64.25	49.07	51.29
Unpaid labor	6.64	6.99	12.90	13.68	5.09	5.38	10.57	10.82	8.30	9.08
Total, economic (full ownership) costs	187.14	202.56	177.17	186.81	158.13	174.98	283.34	287.37	226.83	244.18
Residual returns to management and risk	-48.23	-36.63	-0.86	72.15	-47.04	-34.09	-61.62	-61.16	-51.40	-39.98
Harvest-period price (dollars/bu)	2.53	2.97	1.71	3.06	2.47	2.82	2.75	3.18	2.77	3.55
Yield (bu/planted acre)	53.22	54.45	79.77	67.24	44.22	49.29	78.91	69.94	60.65	55.97

¹Cost of purchased irrigation water and baling.

Source: Economic Research Service, U.S. Department of Agriculture.